

Public Service Association responses to Questions on notice re RFS funding.

1. A clear understanding of how the funding and the money flows work between councils and the RFS—what councils contribute to the RFS, what goes back to councils and where the shortfalls are.
2. Can you outline that funding system for us in as clear a way as you can?
3. How does the money flow, in broad brushes, and then we might dive into that?

The perception we have is that RFS funding theoretically consists of:

- 70.0% insurance companies' contribution
- 11.7% local councils
- 18.3% NSW Government (this figure may increase to cover any shortfall if local governments contribution is less than 11.7%).

There are two elements to funding the RFS:

- The Capital budget is held centrally and forms the bulk of RFS funding. This is used to purchase fire trucks and fund new RFS buildings. As we shall attempt to explain, a large part of this funding goes unspent and is returned to the NSW Government each year.
- The Maintenance and Repair (M&R) budget which is dispersed as an annual lump sum to the lead council within each RFS district. This council then administers/ accounts for the M&R budget for the RFS district. These funds are used for: truck maintenance; building maintenance; community education and training.

We believe that around 2019/20, the decision was taken to centralise the RFS budgetary process. The rationale for this move was that there was a clear discrepancy between the level of contribution richer – more urban councils – could make than their less affluent rural counterparts.

Pre 2019/2020 (the centralisation date) the RFS budget locally would be (in theory) negotiated through the quarterly District Liaison Committee between the councils within the RFS district and the RFS. However, post 2019/2020 the budget is determined centrally, and each local council being effectively presented with a bill by the RFS.

Again – theoretically – through the District Liaison Committee meetings local councils still have an input into the budgetary process. However, as we stated in our original submission, the frequency and relevance of these meetings is highly dependent on the personalities who participate – on both the RFS and council side of the table. It was suggested that relations between local councils and the RFS were – in some cases – little more than 'lip service'.

4. In your submission you mentioned that councils sometimes hold the RFS to ransom in respect of these (new RFS) buildings. Can you elaborate on that a bit more?

We have received very mixed views on terms of the relationship between the RFS and local councils across NSW. On the one hand, we have heard of very positive working relationships between the RFS and the councils within their district, and between the different councils within districts. A significant caveat here though, is that these relationships are down purely to the

personalities involved. A change of one individual involved in these relationships can fundamentally impact upon how well these different organisations cooperate and interact. The upcoming local elections were cited as one such possible juncture when such a change may occur.

On the other hand, we have heard of several examples of RFS and council relationships being effectively dysfunctional – with councils actively seeking to sever ties and responsibilities with the RFS. In these situations, councils adopt a range of practices designed to frustrate the RFS. We are aware of the following examples in this context:

- The lead council within each district not providing the RFS with access to its (the councils) finance system to monitor expenditure – thus compelling the RFS to compile a spreadsheet to check expenditure of the M&R budget – thus making the process unnecessarily bureaucratically cumbersome.
 - RFS stations/facilities must be built on council owned land – all RFS buildings must be vested in council. In our original submission we related examples of RFS buildings on privately owned land which were used for non-RFS purposes or where the RFS were denied access. With new builds there is a time lag between bidding for building funding and the granting of funding. This can effectively mean that it's too late in the financial year to progress the project by the time funding is approved and received. Ergo – any unspent funding must be returned to the State as it cannot be carried over from one year to the next.
 - During time lag too it was suggested that it wasn't beyond the realms of possibility for a council to renege on a decision to provide a specific block of land for RFS projects.
 - Development Applications (DA) can be delayed in council – thereby holding up projects which leads to loss of funding, despite the RFS supposedly being exempt from DA process.
5. When did the RFS move to a centralized budget system? When was this shift away from councils managing the RFS budget across to the RFS controlling the centralised budget?

As per above, we understand this move took place around 2019/2020.

6. Have there been instances where there have been safety incidents—injuries, high potentials—due to maintenance issues or due to management issues around assets?

After consulting our delegates and members, we are unable to provide details here. It was suggested that a GIPA may well provide some insight – but given the timeframe in responding to Questions on Notice – this is clearly not an option we could follow.

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